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THE ECONOMIC DEVELOPMENT OF ERITREA

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From Leon Dominian.
Rome, Italy.

American Consul.
July 20, 1922

DEPARTMENT OF STATE
DIVISION OF
WESTERN EUROPEAN AFFAIRS
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Department of State
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Political

In an address delivered before the Chamber during the discussion of the colonial budget, Deputy Di Fausto presented certain results of his investigations on Eritrean problems. Incidentally it was gratifying to note that he referred to a recent report by my colleague at Aden regarding the importance of the port of Massawah.

The colony of Eritrea, according to Deputy Di Fausto, is not a geographical unit but a political assemblage of widely differing regions, each having its own religion, race and customs but bound together by a common economic bond constituted by the transit trade from Ethiopia and the Sudan, which centers in Massawah. The attention of the colonial government is at present directed towards the development of railroads, of the port of Massawah and of cotton raising.

RAILROADS IN ERITREA.

The junction between the 100 Km. Massawah = Asmara line and the equally long Asmara = Keren line has now been accomplished. It is estimated that the construction of the last line has amounted to 8,000,000 liras. This amount has been spent from the 12,500,000 liras appropriated by the Government for railroad

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railroad construction in Eritrea. Beyond Keren construction extends so as to enable the railroad to tap the Barca lowland. The heaviest part of this construction work extending along the highland has already been completed. Funds for the construction of the Keren = Agordat stretch have been obtained. The railroad follows an east-west course beyond Daura at a distance of about 100 Kms. from the Sudan, then turns southwards in the direction of Elanghin and the Ethiopian frontier.

The line will enable concession holders in the lowland district to transport their products at lower costs than those paid now to camel drivers. Although the Eritrean lowland is restricted in area, the railroad will open undeveloped regions such as the Tzana cotton and coffee basin and will enable products of the Taka, Gedaref and Gallabat regions in the Sudan to reach the sea. The construction of the line appears warranted by the fact that it will extend across a territory rich in natural resources, while the two existing parallel roads respectively in Sudanese and Jibuti territory cross relatively poor and arid zones. It is also planned to extend the line eventually from the valley of Setit to the Gonder district. Mention should be made here of the fact that Italian colonial railroads differ in gauge from the British and French railways in Africa and that consequently a junction between Italian roads and lines operated in British and French colonies cannot take place.

ORAVAN

CARAVAN TRAFFIC.

The following figures on caravan traffic in Eritrea were submitted to Parliament by Deputy Di Fausto:

Year	Imports Liras	Exports Liras
1907	12,500,000	5,500,000
1915	28,000,000	19,000,000
1918	104,000,000	35,000,000
1919	80,000,000	41,000,000
1920	155,000,000	47,000,000

Traffic during 1921 and the beginning of 1922 has decreased however as Eritrean commerce is affected by the business depression which prevails in the motherland. The figures shown above apply almost exclusively to the colony's commerce. It is expected however that the transit trade will in time add greatly to the total volume of the colonial trade.

COTTON RAISING IN ERITREA.

The cotton lands of the colony are found at Agordat on the Ghiaghe river, at Ducambia on the Gash and at Mansura on the Barca river. In the basin of the Gash as well as in the valley of the Barca, cotton culture has been abandoned on account of the scarcity of labor. The native population of Eritrea

is estimated at about 400,000 inhabitants and the lack of laborers is keenly felt by agricultural operators. Wages are consequently high and the railroad is badly needed as a reduction in the cost of transportation will enable cotton growers to pay higher wages to laborers.

POTASH RESOURCES OF ERITREA.

The potash fields of Dallol in Danacilla are stated to be a potential source of Eritrean prosperity. It is claimed that they were discovered by Italians and granted by Abyssinia to an Italian mining company which is reported to have failed. The deposits were worked during the war. It was found however that transportation across the Salt Plain and the Danacilla desert presented difficulties which have not yet been overcome.

THE PORT OF MASSAWAH.

Massawah is considered as probably the best natural harbor on the Red Sea. Italians claim that it could be made to compete with Aden if it were provided with port works. At present the wharf has an unloading front of some 350 meters on which three cranes are in operation. Its warehouses are reported to be in ruins. The Government is urged to build machine shops, cold storage plants, and adequate warehouses as well as to maintain coal, ice and water supplies in order that steamers in transit might find inducement to stop and refit themselves.

themselves at that point. Although nearer to the main centers of the Sudan, the trade of the latter region now flows to Suakin and Port-Sudan. It seems that unless effort and money are spent to convert Massawah into a first class port, the trade of Sudan and Abyssinia will continue to be directed towards Sudanese and Jibuti ports.

Respectfully submitted,

Am. Dominionian

American Consul

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Enclosures. Four copies of Report.

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